

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE CORINTH)	
WATER DISTRICT FOR APPROVAL OF A)	CASE NO.
PROPOSED INCREASE IN RATES)	2003-00392
FOR WATER SERVICE)	

O R D E R

On October 6, 2003, Corinth Water District ("Corinth") filed its application for Commission approval of its proposed water rates. Corinth proposed to increase its rates to produce additional revenues of \$91,995, an increase of 20 percent over normalized revenues of \$459,975. This proposal, which does not fully fund depreciation expense, would increase Corinth's average monthly bill from \$45.35 to \$55.83, an increase of 23.1 percent.

By Order dated January 13, 2004, the Commission issued a Staff Report that was prepared upon review of Corinth's test-year operations. Staff's report recommended that the requested increase be granted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No such comments or requests were made.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$551,970, including \$537,782 from water rates and \$14,188 from other operating revenue.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Corinth on and after the date of this Order.

3. Within 30 days of the date of this Order, Corinth shall file with the Commission its revised tariff setting out the rates approved herein.

4. Three years from the effective date of this Order, Corinth shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 5th day of February, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00392 DATED FEBRUARY 5, 2004

The following rates and charges are prescribed for the customers in the area served by Corinth Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,000	gallons	\$14.27 Minimum Bill
Next	4,000	gallons	10.39 per 1,000 gallons
Next	5,000	gallons	9.25 per 1,000 gallons
Over	10,000	gallons	8.11 per 1,000 gallons